

ASSEMBLY BILL

No. 1350

Introduced by Assembly Member Blakeslee

February 27, 2009

An act to amend Section 44273 of the Health and Safety Code, and to add Chapter 7.10 (commencing with Section 25698) to Division 15 of the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1350, as introduced, Blakeslee. Energy: sustainable biofuel resource: voluntary certification.

Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Program, which is administered by the Energy Commission, for the purposes of developing and deploying innovative technologies that transform California's fuel and vehicle types to help attain the state's climate change policies. Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Fund and, upon appropriation, used for implementing the Alternative and Renewable Fuel and Vehicle Technology Program.

This bill would require the Energy Commission, in collaboration with specified entities, to establish a voluntary certification program to establish environmental performance standards for a biofuel qualifying as a California Sustainable Biofuel Resource. The Energy Commission would be required to consider certain factors in developing the performance standards. The bill would authorize moneys from the fund, upon appropriation, be used by the Energy Commission to implement the voluntary certification program. The bill would authorize the Energy Commission to charge an entity seeking to certify a biofuel under the

program a fee to cover the Energy Commission's administrative costs. The bill would require collected fees to be deposited into the fund.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) California's transportation sector is responsible for
4 approximately 40 percent of statewide greenhouse gas emissions
5 and over 50 percent of statewide criteria air pollution, resulting in
6 a significant degradation of public health and environmental
7 quality.

8 (b) California's transportation sector is more than 95 percent
9 dependent on a single fuel source, petroleum, even though the
10 United States maintains less than 2 percent of the world's
11 petroleum reserves, leaving the state heavily dependent on foreign
12 fossil fuel resources.

13 (c) The development of biofuels can help mitigate climate
14 change, improve energy security, offset rising oil prices, and
15 stimulate rural economies.

16 (d) The term "biofuels" encompasses an array of feedstocks and
17 production processes, therefore each product must be assessed on
18 its own merits.

19 (e) While many biofuels can reduce greenhouse gas emissions
20 with de minimis negative impacts to the environment, and in some
21 cases to the increased health and productivity of the local
22 environment, the production of some biofuels can have detrimental
23 environmental consequences.

24 (f) As a world leader in the development of clean and renewable
25 energy resources, it is the intent of the Legislature to encourage
26 the sustainable development and production of biofuels.

27 SEC. 2. Section 44273 of the Health and Safety Code is
28 amended to read:

29 44273. (a) The Alternative and Renewable Fuel and Vehicle
30 Technology Fund is hereby created in the State Treasury, to be
31 administered by the commission. The moneys in the fund, upon
32 appropriation by the Legislature, shall be expended by the
33 commission to implement the Alternative and Renewable Fuel and

Vehicle Technology Program in accordance with this chapter *and the California Sustainable Biofuels Program in accordance with Chapter 7.10 (commencing with Section 25698) of Division 15 of the Public Resources Code.*

(b) Notwithstanding any other provision of law, the sum of ten million dollars (\$10,000,000) shall be transferred annually from the Public Interest Research, Development, and Demonstration Fund created by Section 384 of the Public Utilities Code to the Alternative and Renewable Fuel and Vehicle Technology Fund. Prior to the award of any funds from this source, the commission shall make a determination that the proposed project will provide benefits to electric or natural gas ratepayers based upon the commission's adopted criteria.

(c) Beginning with the integrated energy policy report adopted in 2011, and in the subsequent reports adopted thereafter, pursuant to Section 25302 of the Public Resources Code, the commission shall include an evaluation of research, development, and deployment efforts funded by this chapter. The evaluation shall include all of the following:

(1) A list of projects funded by the Alternative and Renewable Fuel and Vehicle Technology Fund.

(2) The expected benefits of the projects in terms of air quality, petroleum use reduction, greenhouse gas emissions reduction, technology advancement, and progress towards achieving these benefits.

(3) The overall contribution of the funded projects toward promoting a transition to a diverse portfolio of clean, alternative transportation fuels and reduced petroleum dependency in California.

(4) Key obstacles and challenges to meeting these goals identified through funded projects.

(5) Recommendations for future actions.

SEC. 3. Chapter 7.10 (commencing with Section 25698) is added to Division 15 of the Public Resources Code, to read:

CHAPTER 7.10. CALIFORNIA SUSTAINABLE BIOFUEL RESOURCE

25698. (a) The commission, in collaboration with the State Air Resources Board, the Energy Biosciences Institute, and the California Biomass Collaborative, shall establish a voluntary

1 certification program to establish environmental performance
2 standards for a biofuel qualifying as a California sustainable biofuel
3 resource.

4 (b) In developing the environmental performance standards of
5 individual biofuel products, the commission shall establish
6 quantifiable metrics that accomplish the following:

7 (1) Maintain or improve soil quality and productivity that
8 includes encouraging cultivation on historically low biodiversity
9 value marginal land or abandoned land.

10 (2) Maintain or improve watershed that includes ensuring only
11 minimal increases in salinization and avoids depletion of water
12 resources.

13 (3) Ensure a positive net energy balance where the amount of
14 biofuel energy produced is 50 percent higher than the amount of
15 energy used to produce the biofuel product, as determined by a
16 life-cycle analysis.

17 25699. (a) The commission may charge an entity seeking to
18 certify a biofuel as a California sustainable biofuel resource a fee
19 to cover the commission's administrative cost of certifying the
20 biofuel.

21 (b) Moneys collected pursuant to subdivision (a) shall be
22 deposited into the Alternative and Renewable Fuel and Vehicle
23 Technology Fund established pursuant to Section 44273 of the
24 Health and Safety Code.